In the Assessment. Order for the Asstt. Year 1985-86, the Assessing Officer has found the transactions in potatoes, steel scrap and shares to be not genuine and the losses bogus. In appeal, the disallowance of losses made by the Assessing Officer, was confirmed by the C.I.T. (Appeals). Prosecution has been lanuched against M/s. Express Newspapers Ltd., Madras in respect of Assessment Year 1985-86 for evasion of Income-tax. The assessments for the Assessment Years 1986-87 and 1987-88 have been taken up by the Assessing Officer.

In the assessments framed for the Assessment Years 1983-84, 1985-86 and 1986-87 in the case of M|s. Indian Express Newspapers (Bombay) (P) Limited, the Assessing Officer found that the newsprint consumption account was inflated by making a notional debit in respect of anticipated liabilities expected to arise in future, consequent to newsprint loans from sister concerns and disallowed such notional debits to the newspriht consmuption account, as under:

Assessment Year	Notional debit disallowed in assessment
	Rs.
1983-84	30,59,278
1985-86	19,41,624
1986-87	34,90,581

Besides tht above, in the case of M/s. Indian Express Newspapers (Bombay) (P) Limited, in the assessment framed for the aassessment year 1985-86, the Assessing Officer found that the assessee had inflated its newsprint consumption account by (a) Rs. 37,97,894 being newsprint loans from two parties found to be bogus and (b) Rs. 57,60,458 being price difference allowed to a sister concern and added the said amounts while computing the income.

In the case of M/s. Traders (P) Limited, in the assessment for the assessment year 1986-87 Rs. 19,09,036 was added back as discrepancy in the newsprint loan account.

(c) Appropriate action as called for under the Direct Taxes Enactments is taken from time to time.

Cutting down of imports of luxury items

1959. SHRI RAM AWADHESH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether India has been advised by the World Bank to reduce its ever-widening deficit as reported in the Times of India of 22nd June, 1989;

(b) whether Government propose to cut down imports of items like milk products, vegetable oils and pulses etc. in view of the Green and White Revolutions; and

(c) what amount of foreign exchange was spent on the import of various farm products during 1988-89;

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) At the Aid India Consortium Meeting held in Paris on June 19-20, 1989, members appreciated the progress achieved by Government of India in reducing the budget deficit. Some of them said that they looked forward to further improvement in this direction. However, no specific suggestions were made in this regard.

(b) and (c) During 1988-89, the Government had to improve foodgrains, milk products, cereals, vegetable oils and pulses worth about Rs. 1800 crores in order to meet tht shortfall in these items as a

consequence of the drought of the previous year. However, the import bill on these items is likely to come down because of the good performance of the agricultural sector last year. It is Government's constant endeavour to minimize imports.

Steps to improve law and order situation in Punjab

1960. DR. YELAMANCHILI SIVAJI: Will the Minister of HOME AFFAIRS be pleased to state:

(a) what effective steps Government have taken in the last three monthe to deiuse the situation in Punjab;

(b) whethtr there has been any improvement in the law and order situation as a result thereof; and

(c) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c) The security measures have been tightened up. The Cabinet Sub-Committee on Punjab constituted by the Prime Minister under the Chairmanship of the External Affairs Minister has studied all aspects of Punjab problem and has also held two rounds of discussions with representatives of Political parties at Chandigarh on 12th April, 1989 and at Delhi on 5th May, 1989. A number of measures which were announced by the Prime Minister on March 3, 1939 with a view to bring normalcy in the State have been implemented. These steps have succeeded to an appreciable extent in isolating the extremists and strengthening the determination of the people to figh the menance and extending cooperation to the security forces in dealing with them.

Involvement of foreign agency in recent rios in Jammu and Kashmir

1961. SHRI ANAND SHARMA: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether the involvement of any foreign agency has been established in the recent communal riots in Jammu and Kashmir; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b) There is some evidence of terrorists receiving support from sources outside India. According to information available a number of persons from Valley have received training and supply of arms, ammunition, explosives, funds etc. for creating disorder and destabilisation in the State.

News-item captioned "customs cheat electrician for a reward"

1962. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned 'Custom Police cheat electrician for a reward' which appeared in the Afternoon Despatch and Courier, Bombay of 28th March, 1989; and

(b) if so, what are the details thereof and action taken by Government in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA: (a) yes, Sir.

(b) One Shri Minoo Khodabadna Irani, who was identified as the informer by the Police in the case of seizure of contraband watches and watch movements worth Rs. 6,27,300/- on 23rd/24th March, 1985 at